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SIXTEENTH
ANNUAL REPORT
of
Canadian Wirebound Boxes
LIMITED

TORONTO - CANADA

Year Ended April 30th, 1944

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Canadian Wirebound Boxes
LIMITED

DIRECTORS

A. K. Cameron
A. M. Dunn
E. G. McMillan
H. M. Millar
Stuart B. Playfair
H. L. Trapp
D. L. White, Jr.

OFFICERS

D. L. White, Jr. - - Chairman Board of Directors
A. M. Dunn - - - President and Managing Director
F. H. Ellis - - - Secretary
J. P. Berney - - - Treasurer

TRANSFER AGENT AND REGISTRAR OF TRANSFERS

at Toronto

Chartered Trust and Executor Company

To the Shareholders,

CANADIAN WIREBOUND BOXES, LIMITED.

The Board of Directors submits herewith the Sixteenth Annual Report of the Company for the year ended April 30th, 1944 including consolidated financial statements and the report of the Auditors.

Net earnings for the year, before depreciation and taxes, amounted to $402,729.17. After providing for depreciation of $62,831.36 and Federal Income and Excess Profits taxes of $223,600.00 (after deducting the refundable portion of excess profits tax of $44,500.00) a net profit of $116,297.81 is shown. This compares with a net profit of $103,641.70 for the previous fiscal period.

The transfer from Earned Surplus to the Special Surplus Account is made in accordance with provisions in the Supplementary Letters Patent which require the transfer thereto of 10% of the net earnings for the year after providing for depreciation and taxes. The amount of $8,261.75 shown as a transfer for the current year is after giving effect to the adjustment of $33,680.27 re Federal taxes affecting prior periods, shown in the Earned Surplus Account.

Working capital of the Company now stands at $271,321.82 as compared with $274,552.92 on April 30th, 1943, a decrease of $3,231.10.

The enlarged and improved facilities of the Company have been utilized to full advantage with a resulting increase in the volume of sales a large portion of which have been for war purposes.

Dividends on the Class A shares were paid at the cumulative rate of $1.50 during the year. However, in view of the effect of the Excess Profits tax on the earning position of the Company, the Directors have deemed it unwise to take any further action in respect to the arrears of dividends on such shares.

During the year the Company made an application to the War Contracts Depreciation Board for special depreciation allowance in respect to a part of the cost of the additional plant facilities. The amount involved, which is substantial, is to be absorbed over a three year period commencing with the fiscal year ended April 30th, 1942, and pending the hearing of this case and a decision thereunder the Company have taken no credit in respect thereto in the provision for taxes set up in this statement.

On behalf of the Directors and myself, I wish to express appreciation of the services being rendered under these difficult times by the employees of the Company.

G. M. Dunn

President.

August 1st, 1944.

CANADIAN WIREBOUND BOXES, LIMITED

and its Subsidiary

EASTISLE REALTIES LTD.

CONSOLIDATED BALANCE SHEET

April 30th, 1944

ASSETS

Current Assets:		
Cash on hand and in banks	62,394.43	
Accounts Receivable, less Reserve for Bad Debts	291,943.90	
Inventory, Merchandise and Supplies, at the lower of cost or market, as certified by the management	446,753.51	
Prepaid Expenses	26,167.21	
		827,259.05
Cash Surrender Value of Life Insurance		5,125.00
Refundable Portion of Excess Profits Tax		65,300.00
Fixed Assets at depreciated appraisal values as of April 14th, 1928, plus subsequent additions at cost:		
Land	176,866.32	
Buildings and Equipment	1,429,343.59	
	1,606,209.91	
Less Reserve for Depreciation	733,034.04	
		873,175.87
Patents, Leases, etc.		634,080.79
		$2,404,940.71

LIABILITIES

Current Liabilities		
Accounts and Bills Payable	151,220.80	
Sundry Creditors	34,571.27	
Accrued Expenses	42,045.16	
Provision for Income and Excess Profits Taxes	328,100.00	
		555,937.23
Mortgages Payable		100,106.59
Miscellaneous Reserve		19,650.74
Capital and Surplus:		
Class A Stock (no par value): Authorized, 150,000 shares: Originally Issued 90,000 shares; Redeemed and Cancelled, 39,085 shares; Outstanding 50,915 shares	1,363,790.00	
Class B Stock (no par value): Authorized and issued, 40,000 shares		
Consolidated Earned Surplus	184,603.28	
Special Surplus	180,852.87	
		1,729,246.15
		$2,404,940.71

Contingent Liability—The provision for Excess Profits Tax has been calculated after the application of an inventory reserve as permitted by the Act, which reserve is not recorded in the books nor included in the above statement.

Note—Arrears of dividends on Class A Shares at April 30th, 1944 amounted to $1.25 per share.

CANADIAN WIREBOUND BOXES, LIMITED

and its Subsidiary

EASTISLE REALTIES LTD.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended April 30th, 1944

Net Profit before depreciation and taxes		402,729.17
Deduct Provision for Depreciation		62,831.36
Net Profit before undermentioned taxes		339,897.81
Deduct Provision for Income and Excess Profits Taxes	268,100.00	
Less Refundable Portion of Excess Profits Tax	44,500.00	223,600.00
Net Profit for year		$116,297.81

CONSOLIDATED EARNED SURPLUS ACCOUNT

Year ended April 30th, 1944

Earned Surplus, April 30th, 1943		186,619.99
Add:		
Net Profit for year		116,297.81
		302,917.80
Deduct:		
Dividends on Class A Shares	76,372.50	
Adjustment, Federal Taxes 1941-1942 and 1943 periods	33,680.27	
Transfer to Special Surplus	8,261.75	118,314.52
Earned Surplus, April 30th, 1944		$184,603.28

SPECIAL SURPLUS ACCOUNT

Year ended April 30th, 1944

Special Surplus, April 30th, 1943	172,591.12
Add Transfer from Earned Surplus Account	8,261.75
Special Surplus, April 30th, 1944	$180,852.87

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the books and accounts of Canadian Wirebound Boxes, Limited and its subsidiary, Eastisle Realties Ltd. for the year ended April 30th, 1944. All our requirements, as auditors, have been complied with and we report that, in our opinion, the foregoing Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Companies' affairs as at April 30th, 1944, according to the best of our information and the explanations given us, and as shown by the books.

THORNE, MULHOLLAND, HOWSON & McPHERSON,

Toronto, July 10th, 1944. Chartered Accountants.

OUR GENERAL LINE OF SHIPPING CASES IS GEARED TO THE WAR EFFORT

Our production of Wirebound Boxes, Nailed Boxes and Plywood Cases is being used extensively for packaging Shells, Fuses, All Kinds of War Products, as well as Food and Clothing for our Armed Forces and Workers on the Home Front.

Corrugated Cartons in large quantities from the Company's Factories are carrying the Prisoners-of-War Parcels, Munitions of War and Essential Civilian Goods.

Seventy employees, with service of six months or more with the Company, are in the Armed Forces.

FACTORIES
AND
SALES OFFICES:

TORONTO, ONT.
1000 GERRARD ST. EAST

MONTREAL, QUE.
6259 NOTRE DAME ST. EAST